

The baby and children's wear and fashion accessories industry in Vietnam continues to benefit from strong demand generated by conventional overseas markets. Exports in 2012 expanded significantly as a result of improving economic conditions in destinations such as the US and the EU. The sector expects short-term development to be sustained, with the country set to enter trade agreements forecast to be advantageous to the line.

The low cost of labor in Vietnam helps the industry maintain a high degree of competitiveness against China. Complementing this strength is the growing adherence of suppliers to various product and manufacturing standards. Companies exporting to the EU, in particular, subject garments to testing and are typically certified free of substances harmful to children. Support from the government and nonprofits has also allowed the sector to progress further.

Key findings

1. Suppliers generally expect to keep prices steady in the next six months in an effort to ensure competitiveness and attract repeat orders. Some companies plan to raise quotes, however, due to the rising expenditure on raw materials.
2. Manufacturers forecast turnover to generally stay healthy in the coming year as customers from North America and the EU maintain their sourcing activities in Vietnam. Some suppliers have plans to penetrate new locations in the Asia-Pacific region to supplement revenue from traditional destinations.
3. Price competition is regarded as the most critical challenge confronting the sector. Although Vietnam offers lower labor cost than China, product prices in the former are still largely higher. The level of development in the latter is also more advanced, which results in more cost-effective production processes.
4. Enhanced safety and aesthetics are the most prevalent design trends. To meet EU regulations, manufacturers are curbing the use of toxic dyes and fire retardants. Hypoallergenic additives are also being utilized on fashion accessories. In terms of styles, printed motifs are most commonly employed in garments.
5. The leading sourcing centers for children's garments and fashion accessories are located in the southern region of the country, particularly Ho Chi Minh City. A smaller number of makers are located in the north, and they are generally concentrated in Hanoi.

Objective, methodology & scope

This Vietnam Sourcing Report is part of a series designed to provide buyers with information on new products from export manufacturers in supply markets that specialize in handmade merchandise.

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with the Hinrich Foundation, whose mission is promoting sustainable global trade. One of its objectives is to help create jobs in developing Asia through export promotion.

To produce this report, large, midsize and emerging manufacturers, all with substantial export experience, were surveyed. The selection of suppliers is designed to reflect the composition of the industry in Vietnam in terms of geographic location, materials used and range of products offered.

For in-depth profiles, our researchers visited the facilities of each company and interviewed senior executives who discussed their recent performance and provided forecasts for the next 12 months. All other makers in this report were either visited or contacted by phone.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including a breakdown of exports by product type and market. Suppliers also participated in a survey designed to provide insight into the industry.

This report covers different classifications of baby and children's wear and fashion accessories available in Vietnam, including garments and headwear. Each product category has its own price guide that describes features of low-end, midrange and high-end models.

In this report

- 15 in-depth company profiles
- 20 short company profiles
- 163 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides insight on the composition of the industry and elaborates on the important supply centers within Vietnam.

The Products & Prices section details the features and price ranges of baby and children's wear and fashion accessories. It also examines the design and manufacturing processes, emerging aesthetic trends, main materials used, and sourcing centers where components are procured.